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Senate

INTERNET TAX NONDISCRIMINATION ACT

Mr. CARPER. Mr. President, Delaware is one of five States that has no sales tax. One might think as a result we have no dog in this fight. We do. I think we all do, whether we happen to be from a sales tax State or not.

My colleague who spoke immediately before me said we haven't had hearings on this proposal. We have had discussion in this Chamber, in the House, in State houses across the country, certainly in Governors' meetings for the last 3 years. We don't need a hearing to know that States are under duress. Their economies are struggling. Their revenue growth is down and in some cases negative. Spending is up. Unemployment is up. Out-of-pocket costs for health care for Medicaid are up, and they are in between a rock and a hard place.

We have been debating this week how can we help those States in their time of need. Some have said: Let's increase the Federal share for Medicaid. Others have said: Let's provide an extension of unemployment insurance and pay for it with Federal dollars. Others have said: Let's pass a stimulus package. Maybe we should provide a sales tax holiday and let the Federal Government pay for that--something I don't think is a good idea, but that has been put forward.

A much better idea is the Enzi-Dorgan amendment that lies before us today, the product of many years work between the States, between Governors, mayors, county executives, legislators here, and previous

administrations as well as the current administration. What does it do? Anybody listening to this debate has to be confused.

This amendment provides for extensions of bans on multiple and discriminatory taxes for 5 years, and it extends the ban on access taxes permanently. That is what it does. What it also does is it empowers the States to work among themselves to see if 20 of them can agree on a simplified approach toward collecting taxes from remote sellers. If they can come to an agreement and provide that kind of a simplified approach, then that plan would come to us and we would have the opportunity to vote yes or no as to whether or not States can actually proceed. If we vote no, they can't proceed.

Our voting for this amendment today, even if it ended up in the final bill signed by the President, would not authorize the collection of a sales tax by remote vendors. It simply sets in motion a process which could lead to another vote by us somewhere down the line.

My last point: If you happen to be a brick and mortar vendor in a State and you have a sales tax and you are required to collect a sales tax and are selling a piece of luggage or a shirt or wallet, a CD player, and you have to collect sales taxes on those items and charge more for those items and there is somebody who is buying it remotely from another State, where are people going to shop? More and more they are shopping on the Internet. They are not going to the local vendor. It is not fair to the local vendor who

is collecting the taxes that pay for the schools and public safety and transportation and other things. It is just not fair.

One aspect of this amendment I am not comfortable with deals with Amazon.com

and the eBay issue which I have discussed with Senators ENZI and DORGAN. I hope when we get to conference, we will have an opportunity to address those issues.